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§19–219. IN EFFECT

(a) The Commission may review the costs, and rates, quality, and efficiency of facility services, and make any investigation that the Commission considers necessary to assure each purchaser of health care facility services that:

(1) The total costs of all hospital services offered by or through a facility are reasonable;

(2) The aggregate rates of the facility are related reasonably to the aggregate costs of the facility; and

(3) The rates are set equitably among all purchasers or classes of purchasers without undue discrimination or preference.

(b) (1) To carry out its powers under subsection (a) of this section, the Commission may review and approve or disapprove the reasonableness of any rate or amount of revenue that a facility sets or requests.

(2) A facility shall:

(i) Charge for services only at a rate set in accordance with this subtitle; and

(ii) Comply with the applicable terms and conditions of the all–payer model contract.

(3) In determining the reasonableness of rates, the Commission may take into account objective standards of efficiency and effectiveness.

(c) Consistent with the all–payer model contract, and notwithstanding any other provision of this subtitle, the Commission may:

(1) Establish hospital rate levels and rate increases in the aggregate or on a hospital–specific basis;

(2) Promote and approve alternative methods of rate determination and payment of an experimental nature for the duration of the all–payer model contract; and

(3) On request of the Secretary, assist in the implementation of federally approved model programs.

§19–219. ** CONTINGENCY – NOT IN EFFECT – CHAPTERS 244 AND 245 OF 2008 **

(a) The Commission may review the costs, and rates, quality, and efficiency of facility services, and make any investigation that the Commission considers necessary to assure each purchaser of health care facility services that:

(1) The total costs of all hospital services offered by or through a facility are reasonable;

(2) The aggregate rates of the facility are related reasonably to the aggregate costs of the facility; and

(3) The rates are set equitably among all purchasers or classes of purchasers without undue discrimination or preference.

(b) (1) To carry out its powers under subsection (a) of this section, the Commission may review and approve or disapprove the reasonableness of any rate or amount of revenue that a facility sets or requests.

(2) A facility shall:

(i) Charge for services only at a rate set in accordance with this subtitle; and

(ii) Comply with the applicable terms and conditions of the all–payer model contract.

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(c) Consistent with the all–payer model contract, and notwithstanding any other provision of this subtitle, the Commission may:

(1) Establish hospital rate levels and rate increases in the aggregate or on a hospital–specific basis;

(2) Promote and approve alternative methods of rate determination and payment of an experimental nature for the duration of the all–payer model contract; and

(3) On request of the Secretary, assist in the implementation of federally approved model programs.

(d) (1) In this subsection, "base hospital rate" means the aggregate value to participating commercial health insurance carriers of the substantial, available, and affordable coverage purchaser differential as determined by the Commission for the calendar year 2002.

(2) The Commission, in accordance with this subsection, shall calculate the amount of funds necessary to operate and administer the Maryland Health Insurance Plan established under Title 14, Subtitle 5 of the Insurance Article.

(3) (i) The Commission shall determine the percentage of total net patient revenue received in calendar year 2002 by all hospitals for which the Commission approved hospital rates that is represented by the base hospital rate.

(ii) The percentage under subparagraph (i) of this paragraph shall be determined by dividing the base hospital rate by the total net patient revenue received in calendar year 2002 by all hospitals for which the Commission approved hospital rates.

(4) On or before May 1 of each year, the Commission shall:

(i) Determine the amount of funding to allocate to the Maryland Health Insurance Plan by multiplying the percentage determined under paragraph (3) of this subsection by the value of the total net patient revenues received in the immediately preceding State fiscal year by all hospitals for which rates were approved by the Commission; and

(ii) Determine the share of total funding owed by each hospital for which rates have been approved by the Commission proportionate to the percentage of the base hospital rate attributable to each hospital.

(5) Each hospital shall remit monthly one–twelfth of the amount determined under paragraph (4)(ii) of this subsection to the Maryland Health Insurance Plan Fund.

(e) (1) The Commission shall adjust hospital rates to ensure that the assessment collected under subsection (d) of this section is revenue neutral to each hospital.

(2) The Commission may not consider the assessment required under subsection (d) of this section in determining:

(i) The reasonableness of rates under this section; or

(ii) Hospital financial performance.

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